



**Office of Real Property Utilization and Disposal  
U.S. General Services Administration  
Invitation for Bids**

**SALE OF GOVERNMENT REAL PROPERTY  
Springdale Water Shares  
IFB Number GSA-R-1779  
GSA Control No. 7-I-UT-0535**

This offering is for three and three-tenths shares in the Springdale Consolidated Irrigation Company, Certificate Number 257 (3.3 Shares), known throughout as Certificate No. 257, a true and correct copy is included as part of this Invitation for Bids (IFB).

Bids for the purchase of the Government-owned Property described in the Property Description portion of this Invitation for Bids will be received continuously and will be posted at [RealEstateSales.gov](http://RealEstateSales.gov).

**Auction Summary**

Sale Type: **Online Auction**

Start Date: **April 22, 2014**

End Date: **Based on Bidding**

Starting Bid: **\$ 3,500**

Registration Deposit: **\$ 2,000**

Bid Increment: **\$ 100**

**Send Bid Form and Registration  
Deposit to:**

U.S. General Services Administration  
Real Property Utilization and Disposal (7PZ)  
819 Taylor Street, Room 11A30  
Fort Worth, TX 76102  
Attn: Julie Howington

**Property Disposal Web Page**

<https://propertydisposal.gsa.gov>

**Sales Information**

William Morgan  
817-978-4239  
[william.morgan@gsa.gov](mailto:william.morgan@gsa.gov)

**Online Auction**

[RealEstateSales.gov](http://RealEstateSales.gov)

Register and submit your bid

**Online Auction Assistance**

William Morgan  
817-978-4239  
[william.morgan@gsa.gov](mailto:william.morgan@gsa.gov)

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# PROPERTY DESCRIPTION

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## 1. SALE DESCRIPTION

This offering is for three and three-tenths (3.3) shares in the Springdale Consolidated Irrigation Company, Certificate Number 257. A true and correct copy is included as part of this IFB in Exhibit A. There are only a total of 444 shares issued in the Springdale Consolidated Irrigation Company.

## 2. WATER SHARE GOVERNANCE

Shares owned in the Springdale Consolidated Irrigation Company (Corporation) are governed by a "Water Purchase Agreement" and amendments dated December 3, 1987 and the Amended Bylaws of the Springdale Consolidated Irrigation Company, dated June 10, 2006.

A copy of the Amended Bylaws of Springdale Consolidated Irrigation Company can be found in Exhibit B.

A copy of the Water Purchase Agreement can be found in Exhibit C.

Proper notice of this sale has been provided to the Corporation and to the Town of Springdale per the Bylaws and Water Purchase Agreement cited in Exhibit B and C.

## 3. SPECIAL SALE APPROVAL

In accordance with the Amended Bylaws dated June 10, 2006, Article IV, any transfer of shares between a current shareholder and a prospective purchaser will require approval of the Board of Directors. The Board of the Springdale Consolidated Irrigation Company (Board) has stated that their criteria for approving the purchaser of these shares will only be that they must own property in Springdale. The Board will meet to approve or reject the transfer of shares after receiving the name of the high bidder from GSA.

# GENERAL TERMS OF SALE

## 1. DEFINITIONS

### a. INVITATION FOR BIDS

The term "Invitation for Bids" ("IFB") refers to this document and the following items that are attached hereto and incorporated herein: the Property Description; General Terms of Sale; Instructions to Bidders; Notice; Bidder Registration and Bid Form for Purchase of Government Property; Exhibits. Should the aforementioned documents be modified or supplemented by any addenda or amendments issued by the Government prior to the conclusion of the online auction, those addenda and amendments shall be part of the IFB.

### b. GOVERNMENT

The term "Government" as used herein refers to the United States of America, and is used interchangeably with "Seller" and "Grantor."

### c. GENERAL SERVICES ADMINISTRATION

The term "General Services Administration" ("GSA") as used herein refers to the United States General Services Administration, a Federal agency.

### d. PROPERTY

The term "Property" refers to the property or properties described in the Property Description of this IFB.

### e. PURCHASER

The term "Purchaser" refers to the bidder whose bid the Government accepts and is used interchangeably with "Buyer" and "Grantee."

**f. BIDDER(S)**

The term "Bidder" or "Bidders" as used herein refers to the offeror or offerors for the purchase of the subject Property, and is used interchangeably with "you."

**g. BID INCREMENT/INTERVAL**

The "Bid Increment" is the minimum amount of money required to increase a starting or current bid. "Bid Interval" is the maximum amount of time in which to make a bid before the auction ends. The Bid Interval is also referred to as the Inactivity Period at [RealEstateSales.gov](http://RealEstateSales.gov).

**h. FLAT BID**

A flat bid is for an amount at least the current bid plus the posted minimum Bid Increment. If the bid is greater than another bidder's automatic bid, the system will consider this flat bid as the current (winning) bid. If the bid is less than or equal to another bidder's automatic bid, the system will record the bid but it will not be considered the current (winning) bid.

**i. AUTOMATIC BID**

Also known as "bid by proxy" wherein the bidder establishes a person to bid on their behalf at auction up to a certain limit. In the case of on-line auctions, computers have automated the proxy role and bidders establish their bid limits on-line and the software answers bid challenges by automatically making the next bid increment up to the proxy limit.

**j. HIGH BIDDER**

The term "High Bidder" refers to the bidder, whose bid conforms to the terms and conditions of the IFB, is the highest dollar bid at the close of the auction and is determined by the Government to be the most acceptable bid.

**k. BACKUP BIDDER**

The term "Backup Bidder" refers to the bidder, whose bid conforms to the terms and conditions of the IFB, is the second-highest dollar bid at the close of the auction and is determined by the Government to be the most acceptable bid.

**l. WEBSITE**

The GSA Auctions® website, [GSAuctions.gov](http://GSAuctions.gov), has been developed to allow the general public the opportunity to bid electronically on a wide array of Federal assets, including real property. Auctions for real property are offered as a separate asset category at GSA Auctions and can be viewed at [RealEstateSales.gov](http://RealEstateSales.gov). Additional information can also be found at [propertydisposal.gsa.gov](http://propertydisposal.gsa.gov).

**m. BROKER**

The term "broker" as used herein refers to a person with an active real estate license in the State where he/she practices real estate who, in exchange for a commission, acts for another person or entity solely as agent in conformance with "Instructions to Bidders" Section 13 contained herein. A broker must be an agent and cannot be a party to the contract to receive a commission.

**n. BOARD**

Also known as "Board of Directors of the Springdale Consolidated Irrigation Company."

**o. CORPORATION**

Also known as "Springdale Consolidated Irrigation Company."

## **2. DESCRIPTION PROVIDED IN IFB**

The description of the Property, and all other information provided with respect to the Property set forth in the IFB, are based on the best information available to GSA, Real Property Utilization and Disposal (7PZ) and are believed to be correct. Any error or omission, including but not limited to, the omission of any information available to the agency having custody over the Property and/or any other Federal agency, shall NOT constitute grounds or reason for nonperformance of the contract of sale, or claim by purchaser for allowance, refund or deduction from the purchase price.

## **3. INSPECTION**

Bidders are invited, urged, and cautioned to review the terms of the Corporation bylaws and any other restriction on the Property prior to submitting a bid. The failure of any bidder to inspect, or to be fully informed as to the condition of all or any portion of the Property, will not constitute grounds for any claim or demand for adjustment or withdrawal of a bid after the auction.

## **4. CONTRACT**

The IFB and the bid, when accepted by the Government shall constitute an agreement for sale ("Agreement") between the high bidder ("Purchaser") and the Government. Such Agreement shall constitute the whole contract to be succeeded only by the formal instrument(s) of transfer, unless modified in writing and signed by both parties. No oral statements or representations made by, or for, or on behalf of either party shall be a part of such contract. In addition, the Purchaser shall not transfer or assign the Agreement without the express written consent of the Government. Any assignment transaction without such consent shall be void.

## **5. RISK OF LOSS**

As of the date of conveyance, the Purchaser shall assume all responsibility for care and handling and all risks of loss or damage to the Property, including but not limited to all buildings and other improvements located thereon, and assume all obligations and liabilities of ownership and no claim for any allowance or deduction upon such grounds will be considered after the conclusion of an auction.

## **6. TAXES, ASSESSMENTS AND OTHER COSTS**

As of the date of conveyance, the Purchaser shall assume responsibility for all general and special real and personal property taxes or other assessments which have been or may be assessed on the Property, and for all sums due to be paid by the Government in lieu of taxes, which amount shall be prorated.

## **7. REVOCATION OF BID AND DEFAULT**

In the event of revocation of a bid after the conclusion of an auction, but prior to acceptance of the high bid by the Government, or in the event of revocation of a bid after notice of acceptance, or in the event of any default by the Purchaser in the performance of the contract of sale created by such acceptance, or in the event of failure by the Purchaser to consummate the transaction, the Purchaser agrees that the deposit paid the Government in any acceptable form, including credit card, together with any payments subsequently made on account, may be forfeited at the option of the Government as damages for breach of contract, in which event the Purchaser shall be relieved from further liability. Otherwise, without forfeiting the said deposit and payments, the Government may avail itself of any legal or equitable rights which it may have under the bid or contract of sale.

## **8. GOVERNMENT LIABILITY**

If the Government accepts a bid for the purchase of the Property and (1) the Government fails for any reason to perform its obligations as set forth herein; or (2) title does not transfer or vest in the Purchaser for any reason, although Purchaser is ready, willing, and able to close; or (3) any other contractual claim or cause of action hereafter assumes in favor of Purchaser under the terms of this IFB, Government's liability to Purchaser shall be strictly limited to all amounts of money Purchaser has paid to Government without interest whereupon Government shall have no further liability to Purchaser.

## **9. TITLE EVIDENCE**

Any bidder, at its sole cost and expense, may procure any title evidence that the said bidder desires. The Government will, however, cooperate with the Purchaser or their authorized agent in this transaction, and will permit examination and inspection of such deeds, abstracts, affidavits of title, judgments in condemnation proceedings, or other documents relating to the title of the premises and Property involved, as it may have available. It is understood and agreed that the Government is not obligated to pay for any expense incurred in connection with title matters or survey of the Property.

## **10. TITLE**

If a bid for the purchase of the Property is accepted, Share Certificates will be signed and transferred. The Government does not pay for or provide title insurance.

## **11. EASEMENTS, ENCROACHMENTS AND RESERVATIONS**

In accordance with the Amended Bylaws of Springdale Consolidated Irrigation Company, dated June 6, 2006 the any transfer must be approved by the Board of Directors of the Company.

The Property will be sold subject to any and all covenants, reservations, easements, restrictions, encroachments, and rights, recorded or unrecorded, in favor of third parties, for highways, streets, power lines, telephone lines and equipment, pipelines, drainage, sewer and water mains and lines, public utilities, public roads, railroads and other rights-of-way, and any easements, reservations, rights and covenants reserved by the Grantor herein.

## **12. COVENANT AGAINST CONTINGENT FEES**

The Purchaser warrants that he or she has not employed or retained any person or agency to solicit or secure this contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give the Government the right to annul the contract without liability or in its discretion to recover from the Purchaser the amount of such commission, percentage, brokerage, or contingent fee in addition to the consideration herewith set forth. This warranty shall not apply to commissions payable by the Purchaser upon the contract secured or made through bona fide established commercial agencies maintained by the Purchaser for the purpose of doing business. "Bona fide established commercial agencies" has been construed to include licensed real estate brokers engaged in the business generally.

## **13. CONTINUING OFFERS**

Each bid received shall be deemed to be a continuing offer for one hundred and twenty (120) calendar days after the close of the online auction until the bid is accepted or rejected by the Government.

If the Government desires to accept any bid after the expiration of the one hundred and twenty (120) calendar days, the consent of the bidder shall be obtained prior to such acceptance.

## **14. TENDER OF PAYMENT AND DELIVERY OF INSTRUMENT OF CONVEYANCE**

Prior to the closing with the high bidder and in accordance with the Amended Bylaws dated June 10, 2006, Article IV, any transfer of shares between a current shareholder and a prospective purchaser will require approval of the Board. The Board has stated that their only criteria for approving the Purchaser will be that they must own property in Springdale. The Board will meet to approve or reject the transfer of shares after receiving the name of the high bidder from GSA.

The closing date of the sale will be thirty (30) calendar days after Board approval and after GSA's acceptance of the offer. Upon agreement by the Government, the Purchaser may close the transaction prior to the thirty (30) calendar day period.

On the closing date, the Purchaser shall tender to the Government the balance of the purchase price in the form of a cashier's check, certified check or electronic wire transfer. Upon confirmation that Purchaser's wire transferred funds have been received by the Government or that Purchaser's funds by check have been confirmed to the satisfaction of the Government, the Government shall deliver to the

Purchaser the instrument, or instruments, of conveyance. The Government reserves the right to extend the closing date for a reasonable amount of time.

#### **15. DELAYED CLOSING**

Any change to the established closing date is subject to the written approval by the Government. The Government reserves the right to refuse a request for extension of closing. However, if the Government grants an extension, the Purchaser may be required to pay either: (i) a liquidated damages assessment of \$50.00 per day; or (ii) interest on the outstanding balance of the purchase price, whichever is greater, if the closing of the sale is delayed, and the delay is caused, directly or indirectly, by the Purchaser's action or inaction and not by any action on the part of the Government. The interest rate shall be computed based on the yield of 10-year United States Treasury maturities as reported by the Federal Reserve Board in "Federal Reserve Statistical Release H.15" plus 1-1/2% rounded to the nearest one-eighth percent (1/8%) as of the date of bid acceptance. The Government may impose additional terms and conditions to grant an extension.

#### **16. CLOSING COSTS, DOCUMENTARY STAMPS AND COST OF RECORDING**

All closing costs, including escrow and financing fees, shall be borne solely by the Purchaser. The Purchaser shall pay all taxes and fees imposed on this transaction and shall obtain at Purchaser's own expense and affix to all instruments of conveyance and security documents such revenue and documentary stamps as may be required by Federal, state and local law.

All instruments of conveyance and security documents shall be placed on record in the manner prescribed by local recording statutes at the Purchaser's expense.

A conformed copy of the recorded quitclaim deed shall be provided by the Purchaser to GSA, within five (5) business days after recording, at the following address:

U.S. General Services Administration  
Real Property Utilization and Disposal (7PZ)  
819 Taylor Street, Room 11A30  
Fort Worth, TX 76102  
Attn: William Morgan

#### **17. OFFICIALS NOT TO BENEFIT**

No member or delegate to the Congress, or resident commissioner shall be admitted to any share or part of the contract of sale or to any benefit that may arise therefrom, but this provision shall not be construed to extend to the contract of sale if made with a corporation for its general benefit. GSA employees are prohibited from bidding on the Property offered in the IFB.

# INSTRUCTIONS TO BIDDERS

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## 1. AUCTION START DATE

The auction opens on Tuesday, April 22, 2014 at 10:00 a.m. (Central Time).

## 2. TYPE OF SALE

This sale will be an online auction conducted at [RealEstateSales.gov](http://RealEstateSales.gov). The auction will be conducted over a period of time, usually several weeks, as determined by bid activity. The date of the auction close (see Paragraph 10, Auction Close) will be announced at [RealEstateSales.gov](http://RealEstateSales.gov), with at least three business days prior notice. The auction may continue beyond that date as long as bidders continue to submit higher bids. Thus, the bidders determine when the sale closes by their bidding activity.

## 3. BIDS AND TERMS OF SALE

Bids to purchase must be ALL-CASH. Buyers are expected to arrange their own financing and to pay the balance in full by the closing date. No Government credit terms are available. GSA has no information on the availability of private financing or on the suitability of this Property for financing.

## 4. STARTING BID

This auction is being opened with an amount which does not represent the value of the Property but rather provides a reasonable starting point for the online auction. The starting bid will be displayed as the Current Bid. The Government seeks to obtain fair market value for the Property and reserves the right to reject any and all bids.

## 5. BIDDER REGISTRATION AND DEPOSIT

a. Bidder registration is a three-step process:

(1) Complete Online Registration: Bidders must register online at [RealEstateSales.gov](http://RealEstateSales.gov). Click on "Register", establish a Username and Password and provide the requested account information. A Username and Password are used to register online and to place bids. The required password must be between six and fifteen characters. You will be asked to read and agree to the terms and conditions of the Website. GSA reserves the right to change the online terms and conditions. A previously registered bidder of [GSAuctions.gov](http://GSAuctions.gov) can login using the established Username and Password. In the event you forget your Username or Password, or both, or are locked out from the system, it is your responsibility to obtain your Username and Password from [RealEstateSales.gov](http://RealEstateSales.gov). GSA staff cannot assist in retrieving a lost or forgotten Username or Password.

You may register as either an individual or as a company and this information must be the same information provided on the Bidder Registration and Bid Form for Purchase of Government Real Property. Changes to title may be considered after award at the discretion of the Government. If you wish to participate as an individual and a representative of a company, you must register separately for each and place bids accordingly.

In accordance with Public Law No. 104-134, Section 31001, the Debt Collection Improvement Act of 1996, the Tax Identification Number (TIN) must be provided by anyone conducting business with the Federal Government, from which a debt to the Government may arise. Individuals cannot successfully register to bid on items without providing a TIN. A TIN is defined as an individual's Social Security Number (SSN) or business entity's Employer Identification Number (EIN). If you registered as an Individual, your SSN will be validated with your name and address. If you registered as a Company, your business identity's EIN will be validated with your company name and address. The use of an individual's SSN is subject to the Privacy Act of 1974 (5 U.S.C. Section 552a), and will be collected only to verify the data submitted by the user and for the proper refund of the Registration Deposit.

A credit card validation process will be conducted to prevent potential fraudulent bidding activity and to ensure that bidders are prepared to accept responsibility for their bidding activity and all submitted bids are valid. **The credit card information you provide at registration is used strictly for validation purposes. GSA Auctions® does not automatically charge credit cards on file. You may use a**



**different credit card to provide the required Registration Deposit. Credit card bid deposits for real property sales cannot be made via GSA Auctions®.**

For more information and assistance on the online registration process, please go to <https://gsaauctions.gov/html/help/index.html>.

(2) Complete Registration Form: Bidders must complete and submit the official Bid Form titled "Bidder Registration and Bid Form for Purchase of Government Real Property" accompanying this IFB. All information and certification requested thereon must be provided. Bidder registration and bids submitted which fail to furnish all information or certifications required may be summarily rejected. The Bid Form should be filled out legibly with all erasures, strikeovers and corrections initialed by the person signing the bid. The Bid Form must be signed and dated. Additional bid forms are available upon request or you may photocopy the form in this IFB.

(3) Provide Registration Deposit: A deposit in the amount of **\$2,000** (the "Registration Deposit"). must accompany your Bidder Registration and Bid Form. Registration Deposits must be provided in the form of a cashier's check, certified check or credit card (Visa, MasterCard, Discover or American Express). Personal or company checks are NOT acceptable and will be returned to the sender. Checks must be made payable to: "U.S. General Services Administration." For deposits by credit card, bidders must also complete Registration Deposit portion of the official Bid Form to be authorized to bid.

Only upon verification of your Registration Deposit, will you be allowed to bid. All Registration Deposits received will be deposited with the U.S. Treasury, in a non-interest bearing account, immediately upon receipt.

b. To complete the bidder registration process, please submit the completed Bidder Registration and Bid Form for Purchase of Government Real Property, along with the required Registration Deposit to:

U.S. General Services Administration  
Real Property Utilization and Disposal (7PZ)  
819 Taylor Street, Room 11A30  
Fort Worth, TX 76102  
Attn: Julie Howington

If the Registration Deposit is to be provided by credit card, the Bidder Registration and Bid Form can also be submitted to GSA by fax at (817) 978-2063

c. It is the responsibility of the bidder to ensure that adequate time is available to complete the registration process as described above. The Government makes no representation or guarantee that any additional assistance or time will be provided to complete the registration process. No bidder will be allowed to participate in the sale until the entire registration process is complete.

d. Registration may occur any time prior to the conclusion of the auction. The Government, however, makes no representation or guarantee that your registration will be completed prior to the announced date and time for the receipt of final bids. Therefore, bidders are encouraged to register before the auction opens.

## **6. BIDDING IN GENERAL**

a. Registered bidders may bid online by following the instructions at [RealEstateSales.gov](http://RealEstateSales.gov). By submitting your bid through [RealEstateSales.gov](http://RealEstateSales.gov), you agree that your bid is a binding offer. You will be legally obligated for any and all bids submitted using your Username and password.

After successful completion of the registration process, users, also known as "Bidders," are permitted to participate in online auctions. The Bidder Menu provides you with the capability to browse and place bids; track items of interest; follow auctions where bids have been placed; to change your personal information and settings; and to access an easy-to-use online Help Menu.

GSA Auctions® provides up-to-date information on your bidding status. You can check the bidding status by clicking on the Bid History.



- b. Bids received through [RealEstateSales.gov](http://RealEstateSales.gov) are date and time stamped Central Time. The Government will not be responsible for any discrepancies between the time indicated on the Website and the apparent time indicated, displayed, or otherwise stated or represented by a registered bidder.
- c. Bids must be submitted without contingencies.
- d. Bidders that are currently in default status on GSAAuctions®, for non-payment or non-removal of items, will not be allowed to place bids for real property. They will only be allowed to "browse" the items. Once a bidder cures their default, they will be unblocked and be given access to begin bidding on items upon receipt of the required Registration Deposit. For more information, review the GSAAuctions® [Terms and Conditions](#).

## 7. CONTINUOUS BIDDING RESULTS AND AUCTION INFORMATION

Bidders are strongly encouraged to monitor bidding activity at [RealEstateSales.gov](http://RealEstateSales.gov). Bidders may also review bid activity by clicking on the "My Messages" tab once logged in. New bids are immediately posted at [RealEstateSales.gov](http://RealEstateSales.gov) upon receipt. If you no longer have the high bid and the sale has not closed, you can go back to the item and place another bid. Bids cannot be lowered or canceled.

If your bid is not accurately shown on [RealEstateSales.gov](http://RealEstateSales.gov), then you should call GSA at (817) 978-4239 or (817) 978-2331. Bidders are urged to pay close attention to [RealEstateSales.gov](http://RealEstateSales.gov) which will contain new, revised, and useful information regarding the high bid, modification to bid increment and the closing date of the auction.

## 8. ONLINE BIDDING

[RealEstateSales.gov](http://RealEstateSales.gov) allows you to place a either a flat or automatic ("proxy") bid. A flat bid is for an amount at least the current bid plus the posted minimum Bid Increment. If the bid is greater than another bidder's automatic bid, the system will consider this flat bid as the current (winning) bid. If the bid is less than or equal to another bidder's automatic bid, the system will record the bid but it will not be considered the current (winning) bid. The required minimum bid will be specified on the bid screen and once entered it will be displayed as the winning bid unless an automatic bid that is greater than this amount has been placed.

An automatic bid is an amount that you set above the posted minimum bid. [Realestatesales.gov](http://Realestatesales.gov) will use as much of your bid as needed to make you the current winner of the auction or to meet the auction's reserve price. The system will automatically apply the minimum Bid Increment up to the total amount bid to make you the current winner of the auction or to meet the auction's reserve price. Your automatic bid amount is not shown to other bidders until it is reached through competitive bidding. You may change your bid amount but not less than the next bid increment amount. If the system reaches your automatic bid limit, it stops bidding for you. Submit another bid if you want to continue bidding. If you selected to receive e-mail notifications during registration, the system will notify you if you are no longer holding the winning bid. You can submit another flat bid or reset your automatic bid amount if you want to continue bidding. Your automatic bid is not shown to other bidders. If a reserve price is set, [RealEstateSales.gov](http://RealEstateSales.gov) will use as much of your bid as needed to meet the reserve price.

When two automatic bids compete, the greater of the two always wins. If the greater automatic limit does not exceed the lesser automatic limit by the full stated Bid Increment, then the greater automatic limit bid is placed. You may increase or decrease your automatic bid limit at any time. You cannot decrease your automatic bid below the current bid. If you are currently the winner in an auction, increasing your automatic bid will not increase your current bid until challenged by another bid. Changing your automatic bid may affect the indicated time remaining.

If you learn from [RealEstateSales.gov](http://RealEstateSales.gov) that your bid was not the high bid, or if another bidder exceeds your previous high bid, you may increase your bid at [RealEstateSales.gov](http://RealEstateSales.gov) until such time as bidding is closed. Increases in previously submitted bids are welcome and your Registration Service Fee will apply to subsequent increased bids. All increased bids must be made online. **The Government reserves the right to modify the Bid Increment at any time prior to the close of the auction.**

## 9. TRANSMISSION AND RECEIPT OF BIDS

The Government will not be responsible for any failure attributable to the inability of the bidder to transmit or the Government to receive registration information, bid forms or a bid by any method. Failure to receive registration information, bid forms or a bid may include, but is not limited to the following:

- a. Receipt of a garbled or incomplete bid.
- b. Availability or condition of the sending or receiving electronic equipment.
- c. Incompatibility between the sending and receiving equipment and software.
- d. Malfunctioning of any network, computer hardware or software.
- e. Delay in transmission or receipt of a bid.
- f. Failure of bidder to properly identify the bid.
- g. Security of bid data.
- h. Inability of bidder to enter bid. For example: due to lost or forgotten password or system lock due to repeated login failures.
- i. Unavailability of GSA personnel.

If your bid is not accurately shown or you can not enter a bid at [RealEstateSales.gov](http://RealEstateSales.gov) then you should call GSA at (817) 978-4239 or (817) 978-2331 for assistance.

The Website will NOT be available during the following system maintenance windows:

- Saturday: 5:00 a.m. to 8:00 a.m. CT
- Sunday: 6:00 a.m. to 10:00 a.m. CT

The Website may NOT be available during the following system maintenance window:

- Wednesday: 5:00 a.m. to 6:30 a.m. CT

Occasionally, technical problems will interrupt the bidding process for an unspecified amount of time. These interruptions may affect some or all bidders. In the event of an interruption, an evaluation of the length of interruption time and the numbers of bidders affected may prompt GSA Auctions<sup>SM</sup> to extend the closing time for an auction. Extension may range from 1 hour to 24 hours based on the aforementioned criteria, to insure fair and full competition. An email notification will be sent to those bidders who participated in these auctions when they are extended.

## 10. AUCTION CLOSE

The Government will announce a date and time for the Close Time on [RealEstateSales.gov](http://RealEstateSales.gov). The Government will also set a Bid Interval or "challenge" period for bids. The Time Remaining countdown clock announces the time left to bid. The High Bid must survive the Bid Interval without challenge, usually within 24 hours of the auction close time, to win. If the High Bid on the announced date and time survives the full Bid Interval period without challenge, then bidding will close at the stated time and consideration for award will be given to the High Bidder.

If an increased bid is received within the Time Remaining and the Bid Interval is 24 hours, then bidding will be held over for an additional Bid Interval (including weekends and Federal holidays) beginning at the time the increased bid is placed. This process will continue until the high bid survives the full Bid Interval period unchallenged. Bid Intervals may be changed from 24 hours (reduced or increased) as determined by the Government. For Bid Intervals of less than 24 hours, the auction will not close during non-business hours, weekends or Federal holidays and the bidding will continue to the next business day. **The Government reserves the right to increase or decrease the Bid Interval at any time prior to the close of the auction.** Bidder agrees that notices of changes to the sale are satisfactory when made available on the Website at [RealEstateSales.gov](http://RealEstateSales.gov).

## **11. ACCEPTABLE BID**

An acceptable bid is one received from a responsible bidder, whose bid, conforming to this IFB, will be most advantageous to the Government.

## **12. BROKER PARTICIPATION**

Subject to the terms and conditions hereinafter provided, a Bidder's Broker commission is allowed as follows to any properly licensed real estate broker/agent who submits his/her Broker Participation Registration Form according to the terms and conditions of the Invitation for Bids for this sale and whose client is the successful purchaser of the property. Commission is earned only at closing and funding for the total contract price for the property.

- a) Two percent (2.0%) commission will be paid on the client's opening automatic or flat bid.
- b) One percent (1.0%) commission will be paid on the balance remaining between the High Bidder's initial opening automatic or flat bid and the final High Bid Price.

If the High Bidder's initial opening automatic bid exceeds the final sale price accepted for contract, then a total of two percent (2.0%) of the high bid price of the property(s) purchased by that broker's client will be paid to that broker as a commission.

The broker's commission will not exceed two percent (2.0%) of the High Bid Price of the property(s) purchased by that broker's client.

In order to be entitled to any commission, the broker must:

- a) Register his/her client by filling out the Bid Form and Buyer's Broker Participation Registration Form in full, including the signature of the client on the form.
- b) Submit the Bidder's Registration Deposit and the Buyer's Broker Participation Registration Form via fax at 817-978-2063 or mail to: U.S. General Services Administration, Real Property Utilization & Disposal Division (7PZ), 819 Taylor Street, Rm. 8A10, Fort Worth, Texas 76102. Broker forms arriving without a Bid Form will not be honored. Broker Registration forms sent anywhere other than the above address and fax number will not be honored.
- c) Assist the registration of the client for the auction and encourage bidding.
- d) Abide by the guidelines outlined herein.

"Opening automatic bid" means the Bidder's first bid made as a automatic bid (bid by proxy), herein defined, or first minimum bid allowed, herein described or on the realestatesales.gov website and evidenced therein. Bidder and Bidder's Broker agree that only the Bidder's first bid recorded by realestatesales.gov and the final contract price will be used to establish the commission paid and that the Government's calculation and communication of said commission amount is final. Government determined commission payment is made by Bidder to Bidder's Broker and deducted from the full purchase price due to the Government. Brokers are advised to obtain a "Buyer's Representation Agreement" or other binding agreement with their client as the Government does not guarantee that the Bidder will make the agreed payment nor is this an agreement between the Broker and the Government. No other evidence, documentation, verbal or written or electronic communication provided by the Bidder or Bidder's Broker may be used to contest the commission amount determined by the Government.

## **13. BID EXECUTED ON BEHALF OF BIDDER**

A bid executed by an attorney or agent on behalf of the bidder shall be accompanied by an authenticated copy of their Power of Attorney or other evidence of their authority to act on behalf of the bidder.

If the bidder is a corporation, the Certificate of Corporate/Organization Bidder, included in this IFB, must be executed. The certificate must be executed under the corporate seal by some duly authorized officer of the corporation other than the officer signing the bid. In lieu of the Certificate of Corporate Bidder, there may be attached to the bid, copies of so much of the records of the corporation as will show the official character and authority of the officer signing, duly certified by the secretary or assistant secretary, under the corporate seal, to be true copies.

If the bidder is a partnership, and all partners sign the bid, with a notation that they are all general partners, the Government will not ordinarily require any further proof of the existence of the partnership. If all the partners do not sign the bid, then the names of all those except limited partners must be furnished on the bid and the Government, in its discretion, may require evidence of the authority of the signer(s) to execute the bid on behalf of the partnership. The name(s) and signature(s) of the designated bidder(s) must be included on the Bidder Registration and Bid Form.

If the bidder is a limited liability company, a certificate of the LLC must be completed and executed by the manager and submitted with the Bidder Registration Form. The Certificate of Corporate/Organization Bidder form may be used for this purpose.

#### **14. NOTICE OF ACCEPTANCE OR REJECTION**

Notice by the Government of acceptance or rejection of the bid shall be deemed to have been sufficiently given when faxed or mailed to the bidder or their duly authorized representative at the fax/phone number or address indicated in the bid. The processing of a bid deposit by the Government shall not, in itself, constitute acceptance of the bidder's offer. The Government reserves the right to reject any or all bids or portions thereof for any reason.

#### **15. AUCTION SUSPENSION OR CANCELLATION**

The Government reserves the right to temporarily suspend or cancel the auction for any reason without award and resume the auction or start a new auction at any time. In the event of a temporary suspension due to technical problems, or other bidding issues, the Government will determine the high bidder and the high bid amount, re-open bidding and allow the auction to proceed according to the bidding terms described herein. The Government reserves the right to cancel the sale at any time and Registration Deposits will be returned to bidders without interest or further obligation by the Government.

#### **16. TEN PERCENT BID DEPOSIT AND TRANSACTION CLOSING**

Within five (5) business days of acceptance of a bid by the Government, the Purchaser agrees to deposit an additional amount, if required, in the form of a certified check or cashier's check, if any, which when added to the Registration Deposit, will equal at least ten percent (10%) of the total bid. Failure to provide these funds will result in a default and forfeiture of the Registration Deposit.

Upon acceptance of a bid, the bid deposit shall be applied towards payment of the Purchaser's obligation to the Government. The full balance of the purchase price in the form of a certified check, cashier's check or electronic wire transfer is payable within thirty (30) calendar days after acceptance of bid. At the time of closing, all monies paid by the Purchaser will be credited, without interest, toward the total purchase price.

#### **17. REFUND OF REGISTRATION DEPOSITS**

Registration Deposits accompanying bids that are rejected will be refunded to bidders without interest. Bidders who provided Registration Deposits by check may elect to receive the refund by U.S. Treasury check or by an electronic funds transfer (EFT). Bidders will be required to provide GSA with a Taxpayer Identification Number (TIN) to ensure the proper refund of the Registration Deposit by the U.S. Treasury. The TIN may be either a Social Security Number (SSN) or an Employer Identification Number (EIN). The use of an individual's SSN is subject to the Privacy Act of 1974 (5 U.S.C. Section 552a), and will be collected only for the proper refund of the Registration Deposit. Refunds will only be processed to the same individual or entity identified by the TIN. Bidders requesting to receive a refund by EFT will be required to provide additional information to GSA including bank account information to process the refund. Registration Deposits provided by credit card will be credited to the same account number provided.

Upon receipt of the Bid Deposit described in Paragraph 16, Ten Percent Bid Deposit and Transaction Closing, Registration Deposits provided by credit card will be refunded.

Registration Deposits received from the second highest bidder will be held as stipulated in Paragraph 18, Back-up Bidder. All other Registration Deposits will be processed for refunds after the last day of the auction or upon written request to withdraw from the auction unless the bidder is the first or second

highest bidder. Refunds by U.S. Treasury check or by EFT will be processed in a timely manner but may require several weeks to complete. Refunds to a credit card will usually be processed within three business days.

## **18. BACKUP BIDDER**

The second-highest bidder will be the Backup Bidder. The Backup Bidder may be considered for award as the successful bidder for the duration of Continuing Offer period described in Paragraph 14, Continuing Offers, if: 1) the original High Bidder is unable to fully complete the transaction according to the terms and conditions of the IFB; or 2) if the original High Bidder fails to increase its initial bid deposit to the required 10% of the purchase price. The Backup Bidder's Registration Deposit may be retained, at the Government's discretion, without interest, until the High Bidder either provides the 10% bid deposit or completes the transaction. When the Backup Bidder is converted to the High Bidder, all terms, conditions and agreements described in the IFB are applicable to the successful bidder.

The Registration Deposit of the Backup Bidder will be returned as described in Paragraph 17, Refund of Registration Deposits, if the Backup Bidder is not converted to the High Bidder. In the event that the Government is unable to complete the transaction with the highest or backup bidder, the Government reserves the right to consider the remaining bid(s) and make an award that is in the best interest of the Government.

## **19. ADDITIONAL INFORMATION**

GSA will provide additional copies of this IFB and make every effort to answer requests for additional information concerning the Property to facilitate preparation of bids. Each bid shall be deemed to have been made with full knowledge of all terms, conditions, and requirements contained in this IFB and any amendments made thereto prior to bid acceptance. Bidders may also review the information pertaining to the Property at <https://propertydisposal.gsa.gov> or [RealEstateSales.gov](https://RealEstateSales.gov).

## **20. WAIVER OF INFORMALITIES OR IRREGULARITIES**

The Government may, at its election, waive any minor informality or irregularity in bids received.

## NOTICE

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Prior to the closing with the Purchaser and in accordance with the Amended Bylaws dated June 10, 2006, Article IV, any transfer of shares between a current shareholder and a prospective purchaser will require approval of the Board. The Board has stated that their only criteria for approving the Purchaser will be that they must own property in Springdale. The Board will meet to approve or reject the transfer of shares after receiving the name of the high bidder from GSA. Bidders are invited, urged, and cautioned to review the terms of the Corporation bylaws and any other restriction on the Property prior to submitting a bid.

## BIDDER REGISTRATION AND BID FORM FOR PURCHASE OF GOVERNMENT REAL PROPERTY

**Springdale Water Shares**  
**Certificate Number 257 (3.3 Shares)**  
**IFB Number: GSA-R-1779**  
**Sale Number: FTWOR714032001**  
**REGISTRATION DEPOSIT: \$2,000.00**

**USERNAME:** \_\_\_\_\_  
(as established at RealEstateSales.gov)

### Bidder Information: Please print or type legibly.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: (\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_) \_\_\_\_\_  
E-mail: \_\_\_\_\_@\_\_\_\_\_

BIDDER REPRESENTS THAT HE/SHE OPERATES AS (check which applies) see Page 13, Paragraph 11, Bid Executed on Behalf of Bidder for instructions:

- ☐ An individual \_\_\_\_\_  
☐ A partnership consisting of \_\_\_\_\_  
☐ A limited liability partnership consisting of \_\_\_\_\_  
☐ A corporation, incorporated in the State of \_\_\_\_\_  
☐ A limited liability company \_\_\_\_\_  
☐ A trustee, acting for \_\_\_\_\_  
☐ Other \_\_\_\_\_

### Registration Deposit (check one):

- ☐ By certified or cashier's check made payable to the **U.S. General Services Administration**  
TIN or SS# \_\_\_\_\_ (please provide to expedite refund)
- ☐ By Credit Card: \_\_\_\_\_ Exp: \_\_\_\_/\_\_\_\_ CSC/CVC \_\_\_\_\_
- ☐ Visa ☐ MasterCard  
☐ Discover ☐ American Express
- Name of Bidder as it appears on credit card \_\_\_\_\_

### Certification and Authorization

The undersigned bidder hereby offers and agrees to purchase the Property as described in the accompanying Invitation for Bids (IFB) for the bid price entered above or for increased bids placed online by the undersigned, if this bid is accepted by the Government within thirty (30) calendar days after the auction close date. This Bid Form is made subject to the terms of IFB No. GSA-R-1779 including the Property Description, General Terms of Sale, Instructions to Bidders, Notices, Bidder Registration and Bid Form For Purchase of Government Real Property, and any associated amendments to the IFB, all of which are incorporated herein and by reference made a part of this initial bid and subsequent bids placed online at [RealEstateSales.gov](http://RealEstateSales.gov). If a bidder is providing the Registration Deposit by credit card, the bidder must be the authorized cardholder and agrees that his or her credit card account will be debited the full amount of the Registration Deposit, as specified in the IFB. In the event that bidder becomes the Purchaser, the Registration Deposit will be applied towards the purchase price for the Property. In the event the bidder is not the Purchaser, the Registration Deposit will be refunded to the bidder as specified in the IFB. Information collected herein is governed by the Privacy Act of 1974 (5 U.S.C. Section 552a) and is being collected only to register a bidder for the sale of Government property and to provide a proper refund of the Registration Deposit.

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

### Send Registration Form with Registration Deposit to:

U.S. General Services Administration  
Real Property Utilization and Disposal (7PZ)  
819 Taylor St., Room 11A30  
Fort Worth, TX 76102  
Attn: Julie Howington

FAX: (817) 978-2063



## **CERTIFICATE OF CORPORATE/ORGANIZATION BIDDER**

(For use with Bidder Registration and Bid Form for Purchase of Government Real Property  
see Page 11, Paragraph 13, Bid Executed On Behalf Of Bidder for instructions)

**Springdale Water Shares  
Certificate Number 257 (3.3 Shares)  
Washington County, Springdale, Utah**

I, \_\_\_\_\_, certify that I am \_\_\_\_\_  
(Secretary or Other Title)

of the Corporation/Organization named as bidder herein; that \_\_\_\_\_  
(Name of Authorized Representative)

who signed this Bid Form for Purchase of Government Property on behalf of the bidder was then

\_\_\_\_\_ of said Corporation/Organization; that said bid was  
(Official Title)

duly signed for and on behalf of said Corporation/Organization by authority of its governing body and is  
within the scope of its corporate/organization powers.

\_\_\_\_\_  
(Signature of Certifying Officer/Manager)

(Corporate Seal Here, if applicable)

**BUYER'S BROKER PARTICIPATION  
REGISTRATION FORM**

**Springdale Water Shares  
Certificate Number 257 (3.3 Shares)  
Washington County, Springdale, Utah**

Enter Client's RealEstateSales.gov  
User ID Here

**SALE NUMBER: FTWOR714032001**

BROKER/AGENT: \_\_\_\_\_  
COMPANY NAME: \_\_\_\_\_  
COMPANY ADDRESS: \_\_\_\_\_  
CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_  
**AGENT LICENSE #:** \_\_\_\_\_ **BROKER NUMBER LIC. #:** \_\_\_\_\_  
TAX IDENTIFICATION NUMBER: \_\_\_\_\_  
OFFICE PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_  
MOBILE PHONE: \_\_\_\_\_

**Client (Buyer/Bidder) Information**

CLIENT \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_  
HOME PH: \_\_\_\_\_ OFFICE PH: \_\_\_\_\_ MOBILE PH: \_\_\_\_\_

**Broker/Client Certification**

The broker, by placing his/her signature below, certifies, agrees, and acknowledges that:

1. The broker will not claim any exceptions to the procedures outlined in the Invitation for Bids.
2. Only written registration will qualify broker for commission.
3. Only the first Bidder Registration of a prospective Bidder will be accepted and honored.
4. The broker will hold harmless and indemnify the Government from any and all claims with regard to such commission.
5. The broker will be paid a commission only as set forth under the terms and conditions of the IFB pertaining to the specific property being auctioned.
6. The broker may not receive a commission without a "Buyer Representation Agreement" or other such agreement with the Bidder. The Government will require full payment of the bid amount if the signature of the buyer/bidder on the Buyer's Broker Participation Registration Form is missing.
7. The broker cannot participate in the auction and receive any commission in conjunction with any other co-brokerage or referral agreement between the Government and broker.
8. The broker represents the buyer/bidder (client) listed in the Buyer's Broker Participation Registration Form as his or her agent.

9. The broker is not a subagent of Government, has no agreement(s) with the Government, and represents his or her client (buyer/bidder) as an agent.

The broker's client (buyer/bidder), by placing his/her signature below, certifies, agrees, and acknowledges that:

1. He or she has inspected the premises of the subject property or otherwise satisfied themselves as to the location, condition, quantity and quality of the property.
2. He or she shall hold harmless and indemnify the Government from any and all representations made by the buyer's broker.
3. Commission shall be paid only to broker representing client (buyer/bidder) as shown on this form.
4. GSA is not responsible for the accuracy of any information not obtained directly from the Government.

BUYER/BIDDER SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

BROKER/AGENT SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

**Springdale Water Shares  
Certificate Number 257 (3.3 Shares)  
Washington County, Springdale, Utah**

**SALE NUMBER: FTWOR714032001**

## **EXHIBITS**

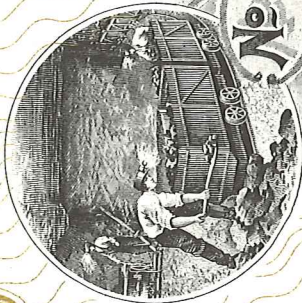
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**Exhibit A**  
**Water Share Certificates (COPY)**



INCORPORATED UNDER THE LAWS OF

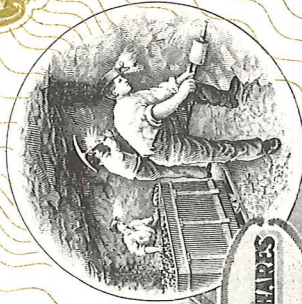
UTAH



No 257



3.3 SHARES



# Springdale Consolidated Irrigation Company

SPRINGDALE, UTAH

This Certifies that

National Bank of Commerce

three and three-tenths

SHARES OF THE CAPITAL STOCK OF

SPRINGDALE CONSOLIDATED IRRIGATION COMPANY

Transferrable only on the books of the Corporation by the holder  
or in person or by Attorney when surrender of this Certificate  
properly endorsed.

In Witness Whereof,

the said Corporation has caused this Certificate to be  
signed by its duly authorized officer and to be sealed with the Seal of the Corporation

this 16th

day of

June

1978

Eles F. French

SECRETARY

C. H. Clifford

PRESIDENT

SHARES

3.3

EACH



COPY

CERTIFICATE  
FOR

SHARES

CAPITAL STOCK

Springdale Consolidated  
Irrigation Company  
Springdale, Utah

ISSUED TO

DATED

For Value Received, \_\_\_\_\_ hereby sell, assign, and transfer  
unto \_\_\_\_\_

\_\_\_\_\_ Shares  
of the Capital Stock represented by the within  
Certificate, and do hereby irrevocably constitute and appoint  
to transfer the said Stock on the books of the within named  
Corporation with full power of substitution in the premises.

Dated \_\_\_\_\_ 19\_\_\_\_

In presence of \_\_\_\_\_

NOTICE: THE SIGNATURE OF THIS ASSIGNMENT  
MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE  
FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT  
ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.



**Exhibit B**  
**Amended Bylaws of Springdale Consolidated Irrigation Company**  
**June 10, 2006**



**AMENDED BYLAWS  
OF  
SPRINGDALE CONSOLIDATED IRRIGATION COMPANY**

**ARTICLE I.**

**Purpose:**

The purpose, powers, names and principal place of business of Springdale Consolidated Irrigation Company (the "Corporation") shall be as stated in the Amended Articles of Incorporation. These Amended By-laws supersede and replace all prior by-laws of the Corporation.

**ARTICLE II.**

**Corporate Seal:**

Sec. 1: The seal of the Corporation shall have inscribed around the circumference thereof the name of the Corporation, and the word "Utah", and shall have inscribed in the center thereof the words "Corporate Seal".

Sec. 2: The secretary of the Board of Directors (the Board) shall have custody of the seal.

Sec. 3: The seal may be used by causing it, or a facsimile, to be impressed, affixed or otherwise reproduced as directed by the Board.

**ARTICLE III.**

**Fiscal Year:**

The fiscal year of the Corporation shall begin on the first day of January and shall end on the thirty-first day of December each year.

**ARTICLE IV.**

**Stock Ownership**

Any person or group of persons shall be eligible to own stock in the Corporation upon acquiring title to a minimum one-half (1/2), or more shares of Corporation stock for irrigation of specific land as recorded in the books of the Corporation. No transfer of shares may be made without notification to and approval of the Board of Directors. Stock ownership may be transferred upon the books of the Corporation upon surrender of a stock certificate properly endorsed, and then only when all assessments or other charges of whatever nature against the stock have been fully paid to the Corporation by the stockholder making the transfer.

The rights of stock ownership are subject to the payment of annual and special assessments levied by the Corporation. The obligation for payment of assessments becomes a lien upon the stock as provided herein. If a stockholder fails to make payment of any annual or special assessment levied by the Corporation within thirty (30) days after the same shall become due and payable, the voting rights of such stockholder shall be deemed suspended by the Board and such stockholder's right to use water may be suspended by the Board until such assessment and any other applicable charges against the stock have been paid. Rights of a stockholder also may be suspended after notice and hearing, for violations of these Amended By-laws, any rules of operation established by

the Board governing the use of the property, services, facilities or equipment of the Corporation.

## ARTICLE V.

### Stockholder Meetings:

Sec. 1: The annual meeting of stockholders shall be held at Springdale, Utah, during the month of February of each year at a time and place to be determined by the Board.

Sec. 2: Special meetings of the stockholders may be called at any time by the President/Chairman of the Board of Directors, or by stockholders representing at least fifty (50) shares of the outstanding stock certificates of the Corporation.

Sec. 3: Notice of all meetings of stockholders shall be given in writing mailed to each stockholder at the address shown on the Corporation's records, not less than ten (10) days prior to the date of the meeting. Such notice shall state the time, place, nature and purpose of the meeting.

Sec. 4: The notice provided for hereinabove is not indispensable and any meeting of the stockholders shall be deemed validly called for all purposes if all stockholders are represented thereat in person or by proxy, or if a quorum is present and waivers of notice of time, place and purpose of such meeting shall be duly executed in writing either before or after said meeting by those stockholders not so represented or not given such notice. The attendance of any stockholder at a meeting in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by such stockholder.

Sec. 5: The stockholders present at any regular or special meeting shall constitute a quorum for the conduct of business. Stockholders may vote in person or by proxy, one (1) vote per each full share of stock or one-half (1/2) vote per each half share of stock owned.

Sec. 6: At all meetings of stockholders, each stockholder may vote in person or by proxy. All proxies shall be in writing and filed with the secretary of the Board prior to the meeting for which the proxy is valid. Every proxy shall be revocable and shall automatically cease upon conveyance by the stockholder of his or her share(s) of stock.

Sec. 7: Election of the Board of Directors shall be conducted at the Annual Stockholders Meeting each February. Nominations shall be accepted from the stockholders. Each stockholder may vote in person or by proxy.

Section 8: The order of business at annual meeting of stockholders, and so far as applicable, at all special meetings, shall be:

1. Call to order
2. Proof of notice of meeting or waiver thereof
3. Reading and action on any unapproved minutes
4. Reports
5. Election of Board of Directors
6. Unfinished business
7. New business
8. Adjournment

Sec. 9: If a quorum is present, the affirmative majority vote of the stockholders represented at the meeting shall be the act of all the stockholders unless the act of a greater number is expressly required by law, by the Amended Articles of Incorporation, or by these By-laws. Upon direction of the presiding officer or upon demand of a stockholder, the vote upon any business before a meeting shall be by ballot, but otherwise any such vote need not be by ballot.

Sec. 10: Whenever stockholders are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, signed by all stockholders entitled to vote.

## ARTICLE VI

### Directors and Officers:

Sec. 1: The affairs of the Corporation shall be managed by a Board of five (5) Directors (The "Board"). The Board may adopt such rules and regulations for the conduct of the Board meetings and management of the Corporation as the Board deems proper.

Sec. 2: Directors shall be elected at the annual meeting of the stockholders. At the said annual meeting, two (2) Directors shall be elected for two (2) year terms and one (1) Directors shall be elected for a one (1) year term. Directors shall hold office until a successor has been elected and qualified. All trustees shall be residents of the State of Utah.

Sec. 3: Subject to restrictions of law, the Amended Article of Incorporation, and these By-laws, the Board shall exercise all of the corporate powers of the Corporation. Such power and authority shall be exercised by the adoption of resolutions by a majority vote of the Directors present at a legally held meeting of the Board.

Sec. 4: The Board shall meet within ten (10) days after the annual meeting for organization of the Board and election of such officers as the Board may determine. Thereafter, the Board shall meet at such times and places as may be determined by the Board, or at such times and places as a special meeting may be called. Notice of all such meetings shall be given each Director in person or by mail within a reasonable time prior to such meeting.

Sec. 5: Three (3) members of the Board shall constitute a quorum at any meeting of the Board and such quorum is authorized and empowered to transact all business and exercise all corporate powers of the Corporation.

Sec. 6: The officers of the Corporation as designated by the Board have and shall exercise the powers, functions and duties specifically delegated to them by the Board as well as such additional functions and duties as may reasonably support such delegation, and as may be directed from time to time by the Board.

Sec. 7: Any officer or Director may be removed, and the office declared vacant by a majority vote of at least two-thirds (2/3) of the shares of stock of the Corporation, for misconduct or for any other cause, at any meeting called for that purpose, of which meeting and the purpose thereof, the offending officer or Director and stockholders shall be given at least ten (10) days notice in writing.

The resignation of any officer or Director may be given in writing, addressed to the Board, and may be acted upon by the Board at any meeting.

Any office becoming vacant or any seat on the Board shall be filled by the remaining Director, by appointment, and such appointee shall hold office until the annual election and until his or her successor is elected and qualified.

Sec. 8: The Directors and officers shall not be compensated for services rendered as such Director or officers; but reimbursement may be made, with approval of the Board, for any actual and reasonable expenses incurred by a Director or officer in the performance of his or her duties. The secretary of the Board may be compensated for services rendered upon such basis as may be approved by the Board.

Sec. 9: Any person engaged by the Board shall be deemed an independent contractor as may be required by the Board, shall be required to provide fidelity bonds in such amounts as the Board may require, payable to the Corporation, and conditioned upon faithful and full performance of the duties of such person. The cost of procuring such bonds shall be paid by the Corporation.

## ARTICLE VII

### Powers and Duties of the Board of Directors

Sec. 1: Powers. The Board shall have power to:

- (a) adopt and publish rules and regulations governing the use of water and the easements, the roads, the equipment and facilities of the Corporation and to establish penalties for the infraction thereof;
- (b) suspend the voting rights, rights to use water, and any other rights of a stockholder during any period in which such stockholder shall be in default in the payment of any assessment or charge levied by the Corporation. Such rights may also be suspended for a period of not to exceed sixty (60) days, after notice and hearing, for infraction of any published rules and regulations;
- (c) enter into contracts, engage a watermaster, manager, an independent contractor or such other persons as deemed necessary and to prescribe their duties;
- (d) exercise all powers, duties and authority vested in or delegated to this Corporation and not reserved to the stockholder by other provisions of these By-laws, by law, or by the Amended Articles of Incorporation.

Sec. 2: Duties. It shall be the duty of the Board to:

- (a) cause the property, equipment and facilities of the Corporation to be maintained;
- (b) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the stockholders at the annual meeting of the stockholders, or at any special meeting when such statement is requested in writing by one-half (1/2) of the stockholders who are entitled to vote;
- (c) supervise all officers and agents of the Corporation, and to see that their duties are properly performed;
- (d) fix the amount of the annual assessment at least thirty (30) days in advance of each annual assessment period;
- (e) send written notice of each assessment to every stockholder subject thereto at least thirty (30) days in advance of each annual assessment period;

- (f) bring an action at law for unpaid assessments against the stockholder personally obligated to pay the same, or foreclose the lien against the stock or take other action to collect unpaid assessments and other lawful charges;
- (g) furnish a certificate upon demand, and for a reasonable charge, signed by an authorized person setting forth whether the assessment on a specified stockholder has been paid;
- (h) procure and maintain adequate liability and hazard insurance on property owned by the Corporation;
- (i) cause all officers or persons having fiscal responsibilities to be bonded, as it may deem appropriate.

## ARTICLE VIII

### Contracts, Checks, Deposits, Annual Report, and Gifts:

Sec. 1: Contracts: The Board may authorize any designated person of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or may be confined to specific instances.

Sec. 2: Checks, Drafts, or Orders: All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation, shall be signed and countersigned by persons specified by written resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer and countersigned by the President/Chairman of the Corporation.

Sec. 3: Deposits: All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select.

Sec. 4: Annual Report: The Board shall present at the annual meeting of the stockholders the report of the secretary, giving the annual budget and a statement of income and expenses, and a report of other affairs of the Corporation during the preceding year. Upon request of a stockholder, The Board shall provide, at the expense of the Corporation, copies of said annual budget and statement of income and expenses.

## ARTICLE IX

### Books and Records:

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board having and exercising any of the authority of the Board, and shall keep at the principal office a record giving the names and addresses of the stockholders entitled to vote. All books and records of the Corporation may be inspected at the principal office of the Corporation by any stockholder for any proper purpose at any reasonable time.

## ARTICLE X

### Assessments and Charges:

Sec. 1: Annual and Special Assessments and Charges: Each stockholder is obligated to pay to the Corporation an annual assessment, and all stockholders are obligated to pay special assessment and other lawful charges. All assessments and other

lawful charges are secured by a continuing lien upon the stock. No stockholder may waive or otherwise escape liability for assessments and/or charges provided for herein by non-use of the facilities of the Corporation.

Sec. 2: Creation of the Lien and Personal Obligation of Assessments and Charges: Every stockholder and each subsequent owner of stock or by stockholders and/or acceptance of water service, covenants and agrees to pay to the Corporation (1) annual assessments and/or charges; (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided; and (3) interest, costs of collection and a reasonable attorney's fee, as herein provided. All such amounts shall be a charge on the stock of the owner or user. Such assessments and other amounts shall be the personal obligation of the person who is the owner of the stock and his or her successors until all amounts are paid in full.

Sec. 3: Purpose of Assessments and Charges: The assessments and charges levied by the Corporation shall be used exclusively for the purposes set forth in the Amended Articles of Incorporation and in particular for the improvement and maintenance of the property and services of the Corporation, including the establishment of a cash reserve for repair, maintenance, taxes and other charges.

Sec. 4: Annual Assessments: After consideration of the financial needs of the Corporation, the Board shall fix the annual assessment and pass a resolution levying the assessments. The resolution will specify the amount(s) of the assessments, and fix a day subsequent to the full term of the notice of assessment on which the unpaid assessment shall be delinquent, not less than thirty (30) days from the time of making the order levying the assessment. A day for the sale of delinquent share(s) of stock not less than fifteen (15) nor more than sixty (60) days from the day the assessments are declared delinquent may be set. The annual assessment shall commence on the first day of the month following when the stockholder acquires any share(s) of stock. At least twenty (20) days prior to the commencement of each new year or adjusted assessment, the Board shall send or cause to be sent a written notice of the rate of the annual assessment for the coming year to each stockholder subject thereto. Receipt of notice shall not be a prerequisite to validity of the assessment.

Sec. 5: Special Assessments for Capital Improvements: In addition to the annual assessments, the Corporation may levy in any assessment year against all stockholders, a special assessment, applicable to that year only. Special assessments may only be levied to defray, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement of the Corporation. Special assessments must have the assent of one-half (1/2) of the votes of the stockholders authorized to vote who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all stockholders not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

Sec. 6: Proportionate Rate of Assessment: Annual and special assessments must be fixed at a proportionate rate on the basis of total number of shares of stock owned.

Sec. 7: Time and Record of Assessments: The Board shall prepare a roster of the stockholders and the assessments applicable to them at the same time that it shall fix the amount of the annual assessment, which roster shall be kept by the secretary of the Board who shall record payments of assessments and shall allow inspection of the roster by any stockholder at reasonable times.

**Sec. 8: Effect of Non-Payment of Assessment – Remedies of the Corporation:**

Any assessment or installment thereof not paid within thirty (30) days after the due date therefore shall be delinquent and shall bear interest from the due date at fifteen percent (15%) per annum until paid. In addition, the Board may assess a late fee for each delinquent installment which shall not exceed twenty percent (20%) of the installment.

The Board may, in the name of the Corporation, (a) bring an action at law against the stockholder personally obligated to pay any such delinquent assessment without waiving the lien of assessment, or (b) may foreclose the lien against the stock in any manner permitted by law or in accordance with the laws of the State of Utah Code Ann. Sec 16-4-1 et seq., and/or (c) may restrict, limit, or totally terminate any or all services performed or provided by the Corporation in behalf of the delinquent stockholder.

There shall be added to the amount of any delinquent assessment costs and expenses of action, sale or foreclosure, and a reasonable attorney's fee.

**ARTICLE XI**

**Rules and Regulations:**

The Board shall have the power to adopt and establish by resolution such rules and regulations as it may deem necessary for the maintenance, operation, management and control of the property, equipment, facilities and utility systems of the Corporation, and the Board may alter from time to time such rules and regulations. The stockholders shall at all times obey such regulations and use their best efforts to see that they are faithfully observed by the persons who use water, their lessees, tenants, and others over whom they may exercise control or supervision. The Board may levy a fine or penalty not to exceed the maximum annual assessment against any owner who fails to refrain from violations of any rule or regulation of the Corporation, after three (3) days written notice.

**ARTICLE XII**

**Water Regulations:**

Sec. 1: Use of Water: All water furnished shall be used in reasonable quantities, and water shall not be permitted to be wasted.

Sec 2: Inspections: The Corporation, or its authorized representatives, will have the right upon reasonable notice, or in the event of an emergency without notice, to inspect the system, to determine the condition of the same to prevent waste of water.

Sec. 3: Control of Water System and Distribution: The Board, through its duly authorized agents, shall have exclusive control of the water system.

**ARTICLE XIII**

**Certificate of Stock:**

No certificate of stock shall be issued by the secretary for less than one-half (1/2) share of said stock.

**ARTICLE XIV**

No share(s) of stock of the Corporation may be transferred apart from the land on which the irrigation water is used; provided that shares may be transferred by sale or other means after 120 days prior written notice:



- i) within the Corporation; and
- ii) to the Town of Springdale, so long as the Water Purchase Agreement dated December 3, 1987, between the Corporation and the Town of Springdale is in effect, during which time the Town of Springdale may exercise its first right of refusal to purchase said shares under the Water Purchase Agreement.

#### ARTICLE XV

##### Amendments:

These Amended By-laws shall be repealed, altered and amended at any meeting of the stockholders legally held for that purpose upon a notice required by these By-laws, by a majority vote of the stockholders present or represented at such a meeting, or by a majority vote of the stockholders at an annual meeting.

These Amended By-laws were adopted by a vote of a majority of stockholders at a meeting held on the 10 day of June, 2006.

R. Brent Holton  
Chairman of the Board of Directors

Charles W. Bush  
Secretary

**Exhibit C**  
**Water Purchase Agreement, December 3, 1987**

## WATER PURCHASE AGREEMENT

This Agreement is entered into this 3<sup>rd</sup> day of December, 1987, by and between Springdale Consolidated Irrigation Company, a mutual irrigation company incorporated under the laws of the State of Utah, hereinafter referred to as ("Irrigation Company") and Springdale Town, a political subdivision of the State of Utah, hereinafter referred to as ("The Town").

## R E C I T A L S

WHEREAS, the Irrigation Company is the owner of certain water rights currently being used for irrigation purposes in the Town of Springdale, Utah, and

WHEREAS, the Town is desirous of acquiring a certain portion of those water rights for the purpose of utilizing the water within the municipal water system, and

WHEREAS, the Irrigation Company is contemplating the execution of a loan from the Utah State Board of Water Resources for certain improvements to the Irrigation Company's water system and the installation of a secondary water system.

NOW THEREFORE in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. A. The Town agrees to purchase from the Irrigation Company and the Irrigation Company agrees to convey to the Town a certain portion of the water right represented by Award #A68 as

specified in the so called Virgin River Decree St. George and Washington Canal Company v. Hurricane Canal Company (1931)

currently owned by the Irrigation Company, that right being equivalent to a maximum flow of 3.97 cubic foot per second for the irrigation of two hundred and eighteen (218.0) acres of land.

B. The Irrigation Company agrees to execute a Quit Claim Deed so conveying said portion of the water right to the Town, an assignment of Water Right to be filed in the Office of the Utah State Engineer and an Application to Segregate a Water Right to be filed in the Office of the Utah State Engineer. The amount so conveyed by the company to the Town shall equal and be equivalent to a maximum flow of 1.97 cubic feet per second or a total annual quantity of 541 acre feet per year and be so specified in the above-mentioned documents but in no case less than 1.00 cubic foot per second or the total annual quantity of 275 acre feet per year. Said amount so conveyed to the Town shall be subject to modification upon completion of the final Proposed Determination by the Office of the Utah State Engineer under the current Readjudication of the Virgin River wherein that certain water right being conveyed herein as specified in the Quit Claim Deed, assignment and Segregation shall be so amended at that time to reflect the final amount of water so being conveyed in this agreement if said Final Determination awards the Irrigation Company more water than 549 acre feet per year at which time all

such amount in excess of 549 shall be deducted from that amount herein conveyed to the Town. The maximum said reduction shall in any event be 266 acre feet per year. Any reduction of the amount being conveyed herein to the Town resulting from said final determination shall be considered to have been held in trust only by the Town and not intended to be utilized by the Town as a part of its municipal water system and to be permanently held by the Town.

2. A. The Town shall pay to the Irrigation Company the amount of One Hundred Thousand Dollars (\$100,000.00) for said water right.

B. The terms of the payment shall be as follows:

(1) An initial down payment of \$40,000.00 shall be delivered to the Irrigation Company upon the date of execution of this agreement.

(2) The Irrigation Company shall use said initial down payment for engineering costs and services to design a certain secondary water system to be constructed by the Irrigation Company pursuant to a loan from the Utah State Board of Water Resources.

(3) The remaining balance above the \$40,000.00 initial down payment shall be paid if and when a certain loan is executed by the Town with the Utah Safe Drinking Water Committee for utilization in improvement of its municipal water system. In

any event, the remaining balance above the initial payment shall be paid on or before July 1, 1988.

3. The Irrigation Company agrees to be responsible for the payment of the loan obligation from the Utah Board of Water Resources equal to \$35.00 per year per currently issued share for all now current shareholders in the Irrigation Company.

4. The Town agrees to be responsible for the payment of all necessary funds of the loan obligation by the Irrigation Company to the Utah Board of Water Resources above that amount equal to \$35.00 per year per share for all shareholders in the Irrigation Company. The Town in no way or fashion shall warrant or have any obligation to pay any amount above this difference between the obligation of the Irrigation Company based on the amount of \$35.00 per year per share and the annual obligation under that certain loan with the Board of Water Resources.

5. For the period of the loan the Irrigation Company shall have title and ownership of the secondary system so developed and full right to use of the system except for a portion of the secondary system which shall be permanently reserved to the Town to transport any water owned by the Town, including ample capacity for expansion of said uses as specified in the engineering design now being developed by ARIX Engineering.

6. A. The Irrigation Company shall grant to the Town a permanent and perpetual Transportation Easement in the secondary

system for the Town's sole use for delivering water to the Town's customers as determined by the Town's sole discretion.

B. As a part of the Transportation Easement, the Irrigation Company shall grant to the Town by appropriate documents the right of permanent access to all existing points of diversion and any easements or rights-of-way now held by the Irrigation Company for utilization the water right purchased from the Irrigation Company.

7. The Town shall have full discretion to utilize the water right purchased from the Irrigation Company so long as said uses do not adversely affect the existing water rights of the Irrigation Company.

8. The Town shall have the first right of refusal to acquire any shares or portion thereof of the Irrigation Company currently outstanding, wherein said first right of refusal shall be exercised within 60 days of a notice given in writing to the Town by the Irrigation Company or shareholder of any proposed sale, transfer or other conveyance of the shares of the Irrigation Company to any third party other than a shareholder. This first right of refusal excludes any conveyance by means of inheritance, or any conveyance wherein the use of the water represented by the shares remains on the property currently being irrigated by the shares being conveyed and said property is owned or being purchased by the purchasers. If the Town does not so



notify the Irrigation Company in writing of its intent to exercise its first right-of-refusal within 60 days of said notice, the Irrigation Company and the shareholder so offering to sell shall have full right and authority to sell said shares as proposed.

9. A. The operation and management of the secondary system shall be assumed by the Town, including all billings and collections for both the operation, maintenance, scheduling and the payment of the Board of Water Resources loan for the secondary system. The Town shall establish on an annual basis a certain operation and maintenance fee to be paid to the Town for the operation and maintenance of the system which may be reviewed by the Board of Directors of any appropriate time. *The Irrigation Company at its own expense*

B. The rates to be charged by the Town shall be divided into two classes, those being:

(1) The "Class 1" rate for water delivered which is based upon sharehold interest in the Irrigation Company. The total amount of revenue from this class shall be equal to thirty six percent (36.0%) of the total amount of operation and management costs charged by the Town, and

(2) "Class 2" being a rate for water delivered which is based on water owned by the Town, the total amount of revenue from this class shall be equal to sixty four percent (64.0%) of the total amount of operation and management costs

charged by the Town.

10. Any improvements, replacements, or extraordinary system costs beyond the annual operation and maintenance costs shall be the responsibility and obligation of both the Town and the Irrigation Company based upon their proportionate interest in the total water right (Award No. A68) then currently owned by either the Town or the Irrigation Company.

11. The ownership and maintenance obligation of certain ditches currently owned or controlled by the Irrigation Company which would be abandoned under the secondary system shall be assumed by the Town for flood control purposes and those portions of the main ditch which will continue to be used for flood irrigation wherein all operation and maintenance costs shall be so assumed by the Town. The Town shall not assume any liability or ownership of any other ditches owned by Company.

12. In consideration of the payments herein committed to by the Town and the obligation to operate and maintain the system, the Irrigation Company agrees to convey to the Town all right, title and interest to the secondary system upon final payment and satisfaction of the proposed loan from the Utah Board of Water Resources. This does not include any conveyance of water rights beyond those herein specified in Paragraph 1.

13. A. The obligation of the Town to deliver water and operate the secondary system shall be only to that point for each

water user at which the water is delivered into a valve or a ditch as specified in the engineering design.

B. The Town in no way or fashion warrants or guarantees any further delivery of water beyond that point and, further, the Town in no way or fashion by warrants, guarantees or otherwise insures any water user of the quantity, or quality of the water so delivered which is subject to all natural and all other causes out of the control of the Town.

14. If for any reason any term, part, section, provision or covenant of this Agreement is held by a court of competent jurisdiction to be illegal or otherwise unenforceable all other terms, parts, sections, provisions or covenants of this Agreement shall, in any event, remain in full-force and affect and, in all respects, binding upon the parties.

15. This contract shall be binding upon and inure to the benefit of the parties hereto and upon their respective heirs, successors, and assigns.

16. This contract constitutes the full and complete agreement by and between these parties, and shall supercede any prior written or oral discussions, representations, or agreements of the parties.

IN WITNESS WHEREOF the parties have hereunder set their hands the day and year set forth above.

SPRINGDALE TOWN

By

Its

David R. Johnson  
Mayor

Attest:

Saul [Signature]  
Town Clerk

Subscribed and sworn to before me this 3rd day of  
December, 1987.

My Commission Expires:

05-03-89

Lillian A. Baiardi  
NOTARY PUBLIC

Residing At: Springdale, Utah

SPRINGDALE CONSOLIDATION  
IRRIGATION COMPANY

By

Its

Frank Urban  
President

Attest:

[Signature]  
Secretary

Subscribed and sworn to before me this 3rd day of  
December, 1987.

My Commission Expires:

05-03-89

Lillian A. Baiardi  
NOTARY PUBLIC

Residing At: Springdale, Utah

**AMENDMENT TO AGREEMENT**

88-2415

This Amendment to Agreement entered into this 5th day of May, 1995, by and between the State of Utah, acting through the BOARD OF WATER RESOURCES, sometimes referred to herein as the STATE, and the SPRINGDALE CONSOLIDATED IRRIGATION COMPANY, a corporation, organized under the Laws of the State of Utah, sometimes referred to herein as the WATER COMPANY, and SPRINGDALE TOWN, an incorporated town of the State of Utah, sometimes referred to herein as the TOWN:

**W I T N E S S E T H**

WHEREAS, the STATE and the WATER COMPANY did on February 12, 1988 enter into an Agreement wherein the STATE provided \$600,000 plus technical assistance for construction of a farm sprinkle irrigation system for the benefit of the WATER COMPANY and a secondary irrigation system for the benefit of the TOWN, said irrigation systems sometimes referred to herein as the PROJECT, being located in Sections 21, 22, 28, 29, 32, and 33, T41S, R10W, and Section 5, T42S, R10W, SLB&M, in Washington County, Utah; and

WHEREAS, pursuant to said Agreement the WATER COMPANY conveyed to the STATE the right to the waters of the Virgin River awarded to the WATER COMPANY under Award No. A68 of the Virgin River Decree, which water right, as well as the PROJECT facilities, were to be re-purchased by the WATER COMPANY, and upon full payment of the STATE funds, title would be vested in the WATER COMPANY; and

WHEREAS, the TOWN and the WATER COMPANY had previously on December 3, 1987 entered into a Water Purchase Agreement wherein the TOWN agreed to purchase a maximum of 1.97 cfs, but not less than 1.0 cfs, of Water of said Award No. A68 from the WATER COMPANY, and 1.17 cfs was subsequently Quit Claimed to the TOWN; and

WHEREAS, the STATE's water right requirement under the February 12, 1988 Agreement will be satisfied with the balance of Award No. A68 after the TOWN's share of 1.17 cfs has been deducted; and

WHEREAS, the TOWN has requested and the STATE has approved a loan of \$420,000, to be secured by a parity water revenue bond, for construction of a water treatment plant and the water specified in the Water Purchase Agreement is needed to satisfy the requirements for the bond; and

WHEREAS, it is the desire of the Parties to amend the previous Agreement between the STATE and the WATER COMPANY, for the purpose of allowing the appropriate portion of the water right to be vested in Springdale Town, and as the Parties are ready, willing and able to enter into a contract for such purpose;

NOW THEREFORE, by mutual consent of the Parties, the Agreement dated February 12, 1988 is hereby amended as follows:

1. Paragraph 18 of the Agreement dated February 12, 1988 is hereby deleted and the following paragraph 18 substituted:

"18. After the WATER COMPANY shall have paid in full the purchase price, as defined above, the STATE shall execute such deeds and bills of sale as will be necessary to revest the same title to the aforesaid property and water rights in the WATER COMPANY, except that the STATE shall Quit Claim to the TOWN upon execution of this amendment, 1.17 cfs of the water right named in paragraph 2 of the February 12, 1988 Agreement, and the balance of the said water right shall be held by the STATE and returned to the WATER COMPANY upon full payment as specified above."

2. The TOWN agrees that it shall continue to pay to the WATER COMPANY its share of the annual payments required of the WATER COMPANY under the February 12, 1988 Agreement until the purchase price, as specified above, has been paid in full.

3. It is mutually agreed that, except as herein provided, the Agreement dated February 17, 1988 shall remain in full force and effect.

\* \* \* \* \*

IN WITNESS WHEREOF, the State of Utah, acting through the BOARD OF WATER RESOURCES, has caused these presents to be signed by the Chairman and Director of the said BOARD OF WATER RESOURCES by authority of a resolution of said Board; and the SPRINGDALE CONSOLIDATED IRRIGATION COMPANY, has caused these presents to be signed and executed on its behalf by Dennis E. Johnson, its President, and Dale C. Gilchrist, its Secretary, by authority of a resolution of its Board of Directors; and the TOWN OF SPRINGDALE has caused these presents to be signed and executed on its behalf by ERIC BONNER, its Mayor Pro-Tem, and Susann Fraley, its Clerk, by authority of a resolution of its Town Council.

SPRINGDALE CONSOLIDATED  
IRRIGATION COMPANY

Dennis E. Johnson  
President

Dale C. Gilchrist  
Secretary

SPRINGDALE TOWN

[Signature]  
Mayor

Susann Fraley  
Attest: Clerk

BOARD OF WATER RESOURCES

Larry S. Ross  
Chairman

D. Larry Anderson  
Director

AVAILABILITY OF FUNDS:

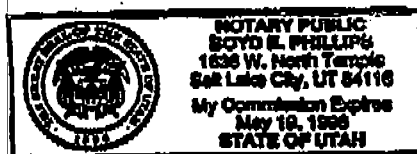
[Signature]  
Division Budget/Accounting

APPROVED: DEPARTMENT OF FINANCE

[Signature]  
for Director of Finance

STATE OF UTAH )  
County of Salt Lake ) ss

On the 5th day of May, 1995, personally appeared before me Larry S. Ross and D. Larry Anderson, who being duly sworn did say that they are respectively the Chairman and Director of the BOARD OF WATER RESOURCES, and that they signed the foregoing instrument in behalf of the said BOARD by authority of a resolution of said BOARD, and they also acknowledged to me that the said BOARD executed the same.



Boyd E. Phillips  
Notary Public

STATE OF UTAH )  
County of Washington )<sup>ss</sup>

On the 5 day of May, 1995, personally appeared before me Dennis E. Johnson (and Dale C. Gilchrist, who being duly sworn did say that they are respectively the President and Secretary of the SPRINGDALE CONSOLIDATED IRRIGATION COMPANY and that they signed the foregoing instrument in behalf of said Corporation by authority of a resolution of its Board of Directors, and they also acknowledged to me that said Corporation executed the same.



Susann Fraley  
Notary Public

STATE OF UTAH )  
County of Washington )<sup>ss</sup>

On the \_\_\_\_\_ day of \_\_\_\_\_, 1995, personally appeared before me \_\_\_\_\_ and Susann Fraley, who being duly sworn did say that they are respectively the Mayor Pro-Tem and Clerk of the TOWN OF SPRINGDALE and that they signed the foregoing instrument in behalf of said Town by authority of a resolution of its Town Council and they also acknowledged to me that said Corporation executed the same.

\_\_\_\_\_  
Notary Public



## AMENDMENT TO AGREEMENT

This Amendment to Agreement entered into this 21<sup>st</sup> day of September, 2004, by and between the Springdale Consolidated Irrigation Company, a mutual irrigation company incorporated under the laws of the State of Utah, hereinafter referred to as ("Irrigation Company") and Springdale Town, a political subdivision of the State of Utah, hereinafter referred to as ("Town").

### RECITALS

WHEREAS, the Irrigation Company is responsible for the loan payment on, and owns, the pressurized irrigation system, which is scheduled to be paid in full in 2014; and

WHEREAS, the Town is paying \$29,687 annually, and the Irrigation Company is paying \$15,540 annually, towards the cost of the system; and

WHEREAS, pursuant to the Water Purchase Agreement between the parties dated December 3, 1987, the Town may purchase a maximum amount of water of up to 1.97 cfs; however, the Town has currently paid for and received by quit claim deed only 1.17 cfs. The remaining .80 cfs must be purchased from the Irrigation Company; and

WHEREAS, the Town is scheduled to receive legal title to the system upon full payment of the loan; and

WHEREAS, the Town desires to pay off the loan in 2004 and acquire legal title to the system in order to be able to bond for a new reservoir expansion for its primary (culinary) water system; and

WHEREAS, the Irrigation Company desires to improve the irrigation system by adding improvements, such as a settling pond, that will improve the quality of water for both the primary and secondary water systems.

NOW THEREFORE, by mutual consent of the parties, the Agreement dated December 3, 1987 is hereby amended as follows:

1. Paragraphs 3, 4, 5, 6A, 9A and 10 of the Agreement are hereby deleted and replaced by the following paragraphs 3, 4, 5, 6A, 9A and 10:
  - "3. The Irrigation Company agrees to pay to the Town an amount equal to \$35.00 per year for each currently issued share of stock for all now current shareholders in the Company (approximately \$15,540) until March 31, 2014, unless extended by mutual agreement."
  - "4. The Town agrees to be responsible for the bonding, acquisition, construction and maintenance of its new primary water improvements. The Irrigation

Company shall have no obligation to contribute to or share in the costs of such bonding, acquisition, construction and maintenance.”

- “5. The Town shall have title and ownership of the secondary system so developed and full right to use of the system except for a portion of the secondary system which shall be permanently reserved to the Irrigation Company to transport any water owned by the Irrigation Company, including ample capacity for expansion of said uses as specified in the engineering designs developed by ARIX Engineering.”
- “6A. The Town shall grant to the Irrigation Company a permanent and perpetual Transportation Easement in the secondary system for the Irrigation Company’s sole use for delivering water to the Irrigation Company’s shareholders as determined by the Secondary Water Advisory Board (SWAB) as outlined in 9A below.”
- “9A. The administration of the of the secondary system shall be supervised by the Secondary Water Advisory Board (SWAB) for the operation, maintenance and scheduling for the secondary system. The SWAB members shall consist of five (5) members, three (3) of whom shall be appointed by the Springdale Consolidated Irrigation Company and two (2) of whom shall be members of the Town Council and appointed as stipulated in Springdale Code Section 8-2-2. The SWAB shall establish on an annual basis a proportional fee to be paid to the Town by the Irrigation Company for the operation and maintenance of the secondary system as outlined in paragraph 9B. The SWAB shall also determine the proportional share to the Irrigation Company of costs for maintenance, repair and utilities for the Pump Station located on the Giant Screen Theater property, near the entrance to Zion National Park. The Town shall be responsible for all billings and collections for the operation and maintenance of the system, and payment of the Bond. 1
- “10. Any improvements, replacements, or extraordinary secondary system costs shall be the responsibility and obligation of both the Town and the Irrigation Company based upon their proportionate interest as outlined in paragraph 9B in the total water right then currently owned by either the Town or the Irrigation Company.”
2. The following paragraphs are hereby added to the Agreement as paragraphs 17 and 18.
- “17. The Town and the Irrigation Company shall work to develop and implement improvements to both the primary and the secondary systems designed to remove debris and improve the quality of the water delivered to the Irrigation Company’s shareholders and the Town’s customers. If deemed necessary and appropriate, the SWAB will within one year following the signing of this document undertake an engineering study to recommend such improvements.

The Town and the Irrigation Company shall share the costs of the study based upon their proportionate interest as outlined in paragraph 9B in the total water right then currently owned by either the Town or the Irrigation Company."

- "18. The parties agree the prevailing party in any dispute over any portion of this Agreement (the original Water Purchase Agreement or this Amendment) shall be entitled to an award of all costs and attorney fees incurred to prosecute such dispute whether in district court or by alternative dispute resolution."
3. It is mutually agreed that, except as herein provided, the Agreement dated December 3, 1987 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunder set their hands the day and year set forth above.

SPRINGDALE TOWN

By [Signature]  
Its MAYOR

Attest:

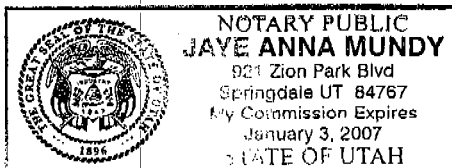
[Signature]  
Town Clerk

Subscribed and sworn to before me the 21<sup>st</sup> day of September, 2004.

My Commission Expires:

1-3-07

[Signature]  
NOTARY PUBLIC  
Residing At: Springdale UT



SPRINGDALE CONSOLIDATED  
IRRIGATION COMPANY

By [Signature]  
Its PRESIDENT

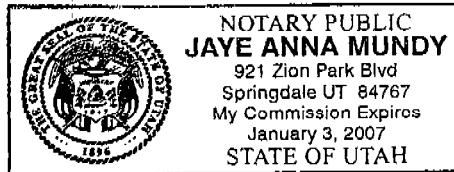
R. B. Hunt  
Secretary

Subscribed and sworn to before me the 21<sup>st</sup> day of September,  
2004.

My Commission Expires:

1-3-07

J. A. Mundy  
NOTARY PUBLIC  
Residing At: Springdale UT





State of Utah

Department of  
Natural Resources

MICHAEL R. STYLER  
*Executive Director*

Division of  
Water Resources

D. LARRY ANDERSON  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY HERBERT  
*Lieutenant Governor*

RECEIVED AT  
SPRINGDALE TOWN OFFICE

FEB 02 2005

January 31, 2005

BY: \_\_\_\_\_

Mr. Dale C. Gilchrist, President  
Springdale Consolidated Irrigation Company  
P.O. Box 291  
Springdale, Utah 84767-0291

Dear Mr. Gilchrist:

Thank you and Springdale Town for the complete repayment of the 1988 Agreement for the Springdale lawn and garden irrigation system. We understand that Springdale Town has taken over the system and has paid the loan balance early. We also realize that the town will be the end recipient of all the system except the water rights (note: 1-17 cfs of the water right has already been deeded to the town). Our agreement, however, specifies that we return the rest of the water rights and other securities to the irrigation company. It will be up to the company and the town to complete the transfer.

Enclosed are documents which convey back to the Springdale Consolidated Irrigation Company, title to the water rights, and release the rights for easements and facilities held by the State.

Please have these documents recorded with the County Recorder and have the recorder send us a certified copy of each document. These certificates are to be furnished to us without charge under the terms of Section 21-7-2, Utah Code Annotated.

You will be responsible for changing the ownership records for your water rights in the Office of the State Engineer. Please contact them at the Regional office for information on how to accomplish this.

If you have any questions, please contact me at 538-7284.

Sincerely,

Boyd E. Phillips  
Contracts Officer

Enclosure

cc: Lynn K. Smith

Greg Hardman

1594 West North Temple, Suite 310, PO Box 146201, Salt Lake City, UT 84114-6201  
telephone (801) 538-7230 • facsimile (801) 538-7279 • [www.water.utah.gov](http://www.water.utah.gov)

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State of Utah

Department of  
Natural Resources

MICHAEL R. STYLER  
*Executive Director*

Division of  
Water Resources

D. LARRY ANDERSON  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY HERBERT  
*Lieutenant Governor*

RECEIVED AT  
SPRINGDALE TOWN OFFICE

FEB 02 2005

January 31, 2005

BY: \_\_\_\_\_

Mr. Dale C. Gilchrist, President  
Springdale Consolidated Irrigation Company  
P.O. Box 291  
Springdale, Utah 84767-0291

Dear Mr. Gilchrist:

Thank you and Springdale Town for the complete repayment of the 1988 Agreement for the Springdale lawn and garden irrigation system. We understand that Springdale Town has taken over the system and has paid the loan balance early. We also realize that the town will be the end recipient of all the system except the water rights (note: 1-17 cfs of the water right has already been deeded to the town). Our agreement, however, specifies that we return the rest of the water rights and other securities to the irrigation company. It will be up to the company and the town to complete the transfer.

Enclosed are documents which convey back to the Springdale Consolidated Irrigation Company, title to the water rights, and release the rights for easements and facilities held by the State.

Please have these documents recorded with the County Recorder and have the recorder send us a certified copy of each document. These certificates are to be furnished to us without charge under the terms of Section 21-7-2, Utah Code Annotated.

You will be responsible for changing the ownership records for your water rights in the Office of the State Engineer. Please contact them at the Regional office for information on how to accomplish this.

If you have any questions, please contact me at 538-7284.

Sincerely,

Boyd E. Phillips  
Contracts Officer

Enclosure

cc: Lynn K. Smith

Greg Hardman

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**NOTICE OF SATISFACTION OF CONTRACT  
AND RELEASE OF INTEREST**

This Notice of Satisfaction of Contract and Release of Interest pertains to that certain agreement between the State of Utah, acting through the Board of Water Resources, and Springdale Consolidated Irrigation Company, recorded in the Washington County Recorder's office as follows:

<u>Document</u>	<u>Date</u>	<u>Recorded</u>	<u>Entry No.</u>	<u>Book No.</u>	<u>Page Nos.</u>
Agreement	2/12/88	10/11/88	338887	500	316-321
Certification & Acknowledgment	12/3/87	10/11/88	338888	500	322-323


The Board of Water Resources acknowledges that the parties have fully satisfied all obligations contained in said agreement. The Board of Water Resources hereby releases to Springdale Consolidated Irrigation Company any and all interest created under said documents to rights-of-way and easements as well as all physical facilities constructed pursuant to said documents as a sprinkle irrigation system located in Washington County, more particularly described as extending through parts of Sections 21, 22, 28, 29, 32, and 33, T41S, R10W, and Section 5, T42S, R10W, SLB&M.

DATED this 30<sup>th</sup> Day of December, 2004.

State of Utah, Acting Through the  
BOARD OF WATER RESOURCES

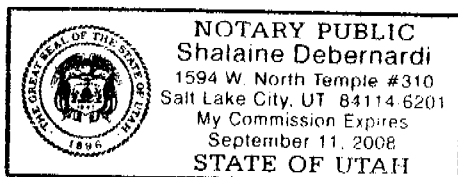
ATTEST:

  
Chairman

  
Director

STATE OF UTAH                    )  
COUNTY OF SALT LAKE    ) ss.

On the 30<sup>th</sup> Day of December, 2004, personally appeared before me Harold G. Shirley and D. Larry Anderson, who being by me duly sworn did say that they are the Chairman and Director of the Board of Water Resources and that the foregoing instrument was signed on behalf of the State of Utah acting through the Board of Water Resources.



  
Notary Public

## SPECIAL WARRANTY DEED

The State of Utah, acting through the BOARD OF WATER RESOURCES, GRANTOR, for the full payment of the purchase price, receipt of which is hereby acknowledged, of the Agreement dated February 12, 1988, with Springdale Consolidated Irrigation Company, a corporation of the State of Utah, hereby conveys and warrants to the SPRINGDALE CONSOLIDATED IRRIGATION COMPANY, GRANTEE, the following-described water rights in Washington County, Utah:

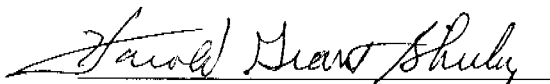
Water Right No. 81-1142, being particularly the waters of the Virgin River awarded to the Springdale Consolidated Irrigation Company in Award No. 68 of the Virgin River Decree of the Fifth Judicial District Court of Utah in and for Washington County, St. George and Washington Canal Co. vs. Hurricane Canal Co., as amended by Supplemental and Final Decree April 21, 1931. Less 1.17 cfs of the above water right which was previously assigned to Springdale Town on May 5, 1995, and recorded May 12, 1995 as No. 499890, Book 907, page 383.


The officers who sign herein do hereby certify that this document and the transfer represented thereby was duly authorized by the Board of Water Resources.

IN WITNESS WHEREOF, we have herewith set our hands this 30<sup>th</sup> day of December, 2004.

State of Utah, Acting Through the  
BOARD OF WATER RESOURCES

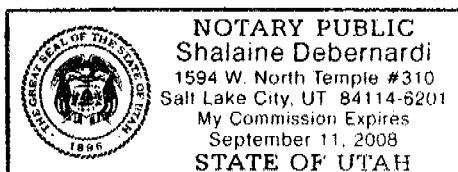
ATTEST:

  
Chairman

  
Director

STATE OF UTAH                    )  
COUNTY OF Salt Lake        ) ss.

On the 30<sup>th</sup> Day of December, 2004, personally appeared before me Harold Grant Shirley and D. Larry Anderson, who being by me duly sworn did say that they are the Chairman and Director of the Board of Water Resources and that the foregoing instrument was signed on behalf of the State of Utah acting through the Board of Water Resources.



  
Notary Public